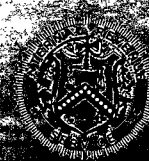


# INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE  
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 58-8

April 23, 1958

## CLAIMS COVERING CIGARS WITHDRAWN FROM THE MARKET

### Manufacturers and importers of cigars:

**Purpose.** The purpose of this industry circular is to call to your attention the advisability of your having a means for establishing that claims filed after June 30, 1959, for refund of tax paid by return on cigars withdrawn from the market were filed within the statutory period of limitation.

**Background.** Because the return system for the taxpayment of cigars became effective July 1, 1956, any claim filed on or before June 30, 1959, for refund of cigar taxes paid by return, is within the three-year time limitation imposed by section 5705(c) of the Internal Revenue Code. In such claim, a general statement that the cigars were taxpaid on or after July 1, 1956, in lieu of a more specific fixing of the time of taxpayment, is acceptable. After June 30, 1959, failure or inability of the claimant to establish the timely filing of a claim will result in its rejection. Since cigars which are now being taxpaid by return and which are withdrawn from the market may be the subject of a claim filed after June 30, 1959, the matter is being called to your attention.

**Suggested Means.** It is suggested that you devise some means for establishing the timely filing of claims filed after June 30, 1959, such as by marking your packages of cigars, in code or otherwise, to indicate the date of taxpayment. Where it is not feasible to indicate the date of taxpayment, you may desire to mark the packages to indicate an earlier date, from which date to measure the period for the timely filing of claims, such as the date of packaging of the cigars, or the date of removal of the cigars from the factory or from customs' custody. This marking may represent the week or month of the year, in lieu of the specific date. The key to any code in use or to be adopted, for this purpose, should be immediately furnished to your assistant regional commissioner (alcohol and tobacco tax).

**Effect of Proposed Legislation.** The future need for such marking for the purpose of claims for refund of taxes paid by return on cigars withdrawn from the market may be eliminated if the Excise Tax Technical Changes Act of 1957 (H. R. 7125 - 85th Congress, 1st Session) is enacted into law, since section 5705(c), as proposed in such Bill, would replace the existing limitation, that claims be filed within three years of the date of taxpayment, with a provision that such claims for refund shall be filed within six months after the date of withdrawal from the market, loss, or destruction of the cigars, as the case may be.

**Inquiries.** Inquiries in regard to this industry circular should refer to its number and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

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IRS - D. C. - 37873